

## Critical Context

One of the objectives of this investigation is to call several things to the attention of the public which would not otherwise be known, and to juxtapose these findings with our research into the political activities of the Koch network.

On an even larger scale, our findings come at a critical time for U.S. politics and higher education, when the corporate influence that has blossomed in the age of Citizens United has aggressively taken root in the academy. The precedent set by the programs at Florida State University, including the misportrayal and suppression of the faculty findings, have had implications beyond campus.

In their own words, officials and academics from the Koch network confirm beyond doubt that the "donor intent" of the Charles Koch Foundation is identical to, and in fact integral to, the intent of Koch's political network. In this report we utilize remarks by Koch funded professors, Koch foundation officials, and attendees of Koch's donor summits. We take these as representative of Koch's higher education agenda.

In order to effectively "[leverage science and universities](#)" for the "[implementation of policy change](#)," the Koch foundation and their partner donors must circumvent academic principles and policies. This report is the most complete account of the Koch foundation's violations at any university, and they mirror what we see nationwide.

These programs have grown at an alarming rate across the country. The Koch foundation's Charlie Ruger clarifies:

the Koch foundation now is supporting 53 major multi-million dollar, multi-year commitments in conjunction almost one hundred percent of the time with other donors to build these major new academic initiatives. (Ruger, [Establishing Successful Academic Centers](#), APEE 2016)

These "centers" are increasingly established outside of academic units, and thus outside the normal realm of faculty oversight. In order to protect their academic programming, the Koch network is funding an increasingly widespread effort to attack and redefine the concepts of academic freedom and shared governance, as cultivated by the American Association of University Professors (AAUP).

Given these observations, we can only conclude that Koch's network of academics and politically appointed/hired administrators are knowingly subverting the principles and practices of academia in order to fuel a political machine of historic proportion.

The activities of this network constitute a many different transgressions that make up conventional “academic crime” including conflicts of interest and censorship, but they also include acts that blatantly violate department and university policies.

Given the knowing and willful manner in which these political organizations appear to be violating university policy and academic principles, we understand our findings to be a glimpse into a highly-funded syndicate of organized academic crime.

## Redefining Academic Freedom

In October 2014, seemingly in response to the increasing criticism of their academic programs, the Charles Koch Foundation published “[academic giving principles](#)” including a completely unique definition of academic freedom, infused with Koch’s own personal vision of a free market of ideas:

**Academic Freedom:** We are committed to advancing a marketplace of ideas and supporting a “Republic of Science” where scholarship is free, open, and subject to rigorous and honest intellectual challenge. We seek university partners who are committed to realizing this ideal.

“Republic of Science” is a reference to an obscure philosopher, Michael Polanyi, who is prominently featured in Charles Koch’s 2005 book, *The Science of Success*. The “republic of science” is a reimagining of academia such that research funding is determined by a market based process. Koch’s book elaborates on this, as well as his own pet philosophy, “Market Based Management™.”

After this bizarre definition was exposed by the [Washington Post](#), the Koch foundation changed their definition again. Their [current site](#) reads:

**Academic Freedom:** Universities thrive when there is a diversity of ideas and scholarship is subject to rigorous and honest intellectual challenge. We are committed to the ideal of academic freedom and seek university partners who encourage civil debate.

However, the “ideal of academic freedom” does not appear to refer to the commonly understood definition of the AAUP. In order to determine what the Koch foundation’s ideal looks like, we need only look at the ideals and actions that their donor partners are aggressively advocating.

In response to the 2011 revelation of FSU’s agreement with the Charles Koch Foundation, the Tampa Bay Times quoted Dean David Rasmussen who had overseen the agreement in the College of Social Sciences:

Rasmussen said hiring the two new assistant professors allows him to offer eight additional courses a year. “I’m sure some faculty will say this is not exactly consistent with their view of

academic freedom," he said. "But it seems to me it would have been irresponsible not to do it."  
([Tampa Bay Times](#), 9 May 2011)

## Open Call to Redefine Academic Freedom

The American Association of University Professors (AAUP) would be counted among the faculty that disagree with Rasmussen's concept of academic freedom. A 2008 statement by AAUP's Committee A regarding the academic programs of BB&T is clear:

Academic institutions relinquish autonomy and the primary authority of their faculty over the curriculum when they accept outside funding that comes with such stipulations attached. [We believe] that the solicitation and acceptance of gifts, conditioned on a requirement to assign specific course material that the faculty would not otherwise assign, is inconsistent with principles of academic freedom. ([Wilson](#))

A 2015 report defending Koch/BB&T free-market campus centers quoted and rebuked the above AAUP statement, calling for the abandonment of their definition of academic freedom:

[N]ew developments have turned the AAUP's definition of academic freedom on its head. Today, the issue of academic freedom is not only about protection against administrative intrusion into the objective inquiry of faculty but also about the faculty evolving over time into a special interest group that limits the range of ideas expressed on campus. In this new scenario, the faculty often are the threat to the free exchange of ideas. Surely the academy is not free if faculty are preventing relatively mainstream ideas from entering the campus dialogue. (Schalin, [Renewal in the University](#), pg 7)

The report continues, spelling out that the preservation of the donor's viewpoint is the true test of academic freedom:

Faculty claim that starting a program with an explicit viewpoint violates their academic freedom to follow the facts according to their conscience. This supposed violation of academic freedom gives faculty members a basis to demand control over the program because, with its predetermined perspective, it is not sufficiently neutral and open to free inquiry. But **free inquiry is not the faculty's real objective—it is instead to keep certain views off campus. If the faculty is given control, they will replace the donor's views with their own—meaning that the missing viewpoints will remain missing.** This would defeat the spirit of open inquiry for without inclusion of those views in the intellectual discussion, there can be no truly open inquiry. (Schalin, [Renewal in the University](#), pg 12) (Emphasis added.)

A 2016 Pope Center report, entitled [Academic Freedom in the Age of Political Correctness](#), specifically takes aim at the AAUP's definition of academic freedom (referring to "AAUP" over one hundred times in just thirty pages):

Academic freedom--the right to seek the truth without fear of retribution—is an enigmatic concept in the modern American university. . . . Competing claims about what academic freedom is and to whom it applies are nothing new.

[...]

Today, however, the need for redefinition is becoming clear as other interests push back. . . . This report argues that the health of the modern American university depends on deciding the proper limits, checks, and balances of scholarly inquiry, teaching, and commentary in academia. It reviews several methods that may empower administrators, students, and other higher education stakeholders. Legal action—in which all interests involved have an opportunity to present their cases—may be the best, most impartial means to balance the rights of faculty against other interests.

The John William Pope Center for Higher Education Policy was founded and is largely funded by Art Pope, a prominent member of the Koch network. Until 2015, Jane Shaw served as the President of the Pope center. Shaw also served as the [2003](#) president of the Association of Private Enterprise Education, the [immediate successor](#) of FSU's Bruce Benson.

## Open Call to Violate Shared Governance

Another organization funded by the Charles Koch Foundation and the Koch network is the American Council of Trustees and Alumni (ACTA). In a 2014 report, entitled “[Governance for a New Era](#),” specifically calls on university trustees to take drastic measures to ensure donor freedoms, including the willful violation of shared governance:

New realities require new strategies.

**Shared governance**—which demands an inclusive decision-making process—**cannot and must not be an excuse for board inaction** at a time when America’s pre-eminent role in higher education is threatened. [...] That is why trustees must have the last word when it comes to guarding the central values of American higher education—academic excellence and academic freedom.

[...]

Professional organizations such as the American Association of University Professors (AAUP) and the American Federation of Teachers (AFT) are embracing an expansive definition of academic freedom that emphasizes rights, job security, and collective bargaining but which deemphasizes faculty accountability and responsibility. Governance for a new era requires trustees to have the final authority and responsibility to protect academic freedom ([Governance for a New Era](#), pg 4)

The same year that this report was published, ACTA received \$34,495 from the Charles Koch Foundation, and \$1,375,000 from Koch’s Donors Capital Fund.

## “At All Costs”

One remark from a 2010 Koch donor summit stands out as particularly chilling. The session was entitled “Winning the Fight between Free Enterprise and Big Government”:

America was built on the free enterprise system. That’s how America became a prosperous nation with abounding opportunities for all. Now, freedom is under a relentless attack. What happens if it slips away? [President of the American Enterprise Institute] Arthur Brooks will share with us how **free enterprise is more than an economic system - it is a moral imperative, and we must defend it at all costs.**” ([Leaked program](#), 2010 Koch Donor Summit)

Later that year, one of the summit’s attendees, Manley Johnson, partnered with BB&T and the Charles Koch Foundation to found the Manley Johnson Center at Troy University. The Johnson center’s mission statement clearly mirrors the exact sentiments of the donor summit, focusing on “the moral imperatives of free markets” ([Johnson Center Website](#)).

Our findings at Florida State show just how far Koch’s network is willing to go, but these circumstances are far from isolated. We continue to see a pattern of privately funded programs that are being approved outside of established university procedures, with little to no faculty knowledge or oversight.

At **Auburn University**, it was found that a Koch center was established, and professors hired, in a manner that bypassed university procedure. The Auburn Villager reported that:

When they learned of the center, some faculty members asked if a national search had taken place and started looking for the job announcement. The job was not advertised on the AU Web site or on any of the recognized venues where economics faculty are usually recruited, they say.

One professor said he finally found the job advertised only once on a [website] called Social Science Research Network. The advertisement was posted Nov. 4, 2007. . . .On Nov. 9, however, [Robert] Lawson was already going to be on campus to give a seminar, according to an e-mail to a College of Business faculty member on Nov. 5, one day after the job was advertised.

According to a faculty recruitment checklist . . . a search committee is mandatory. The search committee reviews the advertisement and sets a timetable to review applications.

[...]

After learning of the center in December and finding out that many senior faculty did not even know about the project in January, [Auburn president Jay] Gogue purportedly urged more openness. ([Auburn Villager](#), 18 September 2008)

Auburn administrators cited the Florida State Koch agreement at the time, as it had been signed the same year.

At some universities, administrators are allowing the creation of Koch/BB&T free-market programs direct defiance of faculty senate dissent. At **Western Carolina University**:

[a]n overwhelming majority of WCU's faculty senate voted against the idea of the free enterprise center last fall, but it was approved by university administration anyway. To quash it would be leading down the slippery slope of censoring the academic freedom of professors to freely pursue the lines of study that interest them, [Chancellor David] Belcher said at the time. ([Smoky Mountain News](#), 10 February 2016)

At the **University of Illinois at Urbana-Champaign**, the Chancellor appointed a committee to review a Koch funded center, the Academy on Capitalism and Limited Government (ACLG). The report found that the creation of an “extra-academic board, self-perpetuating on the basis of ideological sympathy with the donors’ intent” is an infringement on “institutional academic freedom.” In addition, it was found that the center’s affiliation with the university:

violated two principles of a “free and distinguished university”: institutional neutrality (because the overly-narrow ideological research mission was inconsistent with the university’s standards of open and free inquiry) and institutional autonomy (as the center and its academic mission were unaccountable to traditional administrative and faculty governance oversight). ([IU Exec Committee of the Faculty Senate report](#), pg 5)

Faculty were told by the Chancellor in 2008 that the original Memorandum of Agreement (MOA) was being dissolved, yet

it was discovered in 2009 that the MOA had not been dissolved, but rewritten and renegotiated in secret between the ACLG Foundation and the UI Foundation. The ACLG Foundation was re-established as a 509(a)(3) entity, a tax classification termed a “supporting organization.” This status allows the ACLG Foundation to call itself an independent foundation while specifying in its materials that it is established to support teaching and research carried out at the University of Illinois. ([IU Exec Committee of the Faculty Senate report](#), pg 8)

At **Texas Tech University**, it was reported that a Koch funded center, the Free Market Institute, was initially rejected by the department of economics, the department of political science, and the department of agricultural economics before finally being accepted by the business college. Faculty in the department of economics who rejected the center reported that based on :

In [the] economics [department], we understood a lot more than the administration. We have a full grasp of who these people are and we never had any interest. . . [Dr. Ben Powell] didn’t satisfy the minimum criteria for a tenure position. . . . He had a weak vita, and the libertarian Austrian bent that these people have just wasn’t consistent with the culture in our department. We are mainstream economists. In all likelihood this money was coming from a crackpot right-wing group somewhere who was going to expect the research output demonstrate an ideological orientation. ([Texas Observer](#), 26 September 2016)

Nearly all of FSU's programs affiliated with the Charles Koch Foundation are stand alone programs housed in the College of Social Sciences; the DeVoe Moore Center, Gus Stavros Center, Hilton Center and Project on Accountable Justice. This has the effect of evading faculty or departmental oversight.

At **George Mason University**, the Faculty Senate called for administrators to hold off on a newly announced Koch gift to the GMU School of Law until the curricular implications could be reviewed. A faculty resolution expressed concern that:

[t]he grant agreements require the university to make complex organizational changes the exact nature and implications of which are not clear. . . . The grant agreements also appear to be somewhat risky for the University and to give too much leverage to the Donors. All of the money is not given up front: it is to be made in five annual installments. . . . Especially troubling is the provision in the agreement with the Anonymous Donor that if s/he "determines that the School or any academic unit bearing the School Name is no longer principally focused on the School's Mission, then the donor has "the right to pursue any remedy available at law or equity, and has the right to terminate this agreement." In addition to the implied financial risk, this clause seems to give the Anonymous Donor an improper amount of influence over determining the intellectual content of the Law School's mission. ([GMU Faculty Senate Resolution](#), 27 April 2016)

The administration rejected the faculty senate's wishes, and the agreement was accepted without further review.

Most recently at **Montana State University**, concerns have risen regarding the \$5.7 million grant from the controversial Koch Foundation designed to create a research center at Montana State University. The Montana Standard published a local lawyer's concerns that:

MSU has bypassed the standard public review process and public input. He pointed out that the regents have yet to approve the center — even though a signed agreement between the Koch Foundation and the university lists an initial payment of \$793,380 made "on or about September 15, 2016." ([Montana Standard, September 21 2016](#))

## Admissions of Koch Faculty Intent

The academics that are funded by Koch's donor network, including the directors of Koch's free market centers around the country, coordinate research and funding in large part through the Association of Private Enterprise Education (APEE).

George Mason University's Peter Boettke is quoted in APEE's Journal of Private Enterprise:

"Our goal is not just to get a seat on the bus. Our goal is to take over the bus. Our goal is not just to sit in the back of the classroom and make a small point. Our goal is to be running the classroom" ([Stringham, Journal of Private Enterprise 2010](#)).

As mentioned in a previous section, recordings from APEE's 2016 conference reveal candid remarks about the intent of these corporate funded academics.

Among the most candid remarks came from Troy University's George Crowley on a panel that was moderated by the Koch foundation:

[W]e've been very lucky at Troy. We had a big gift, that let us hire a whole bunch of people all at once, and we kind of were able to take over, for lack of a better term, but it's still, there's little spots where we've been able to make little incremental changes over and above. So, we had a finance faculty member retire, and we were able to go and hire Thomas Hogan. He's an economist, but he had enough finance background that we were able to kind of use that. And so that's an interesting line that we were kind of like able to take, and it's just little incremental things like that. (Crowley, [Being an Intellectual Entrepreneur](#), APEE 2016)